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Via Electronic Filing and Hand Delivery

The Hon. Saundra Brown Armstrong
United States District Court
Northern District of California
1301 Clay Street,
Courtroom 3, Third Floor
Oakland, California 94612

Re: *LensCrafters, Inc, et al. v. Liberty Mutual Fire Insurance Company, et al.*
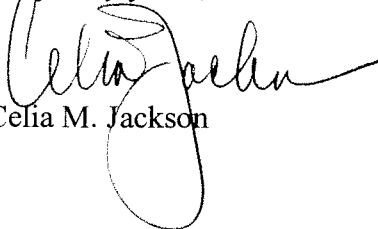   **Case No. C-07-02853 SBA**

Dear Judge Armstrong:

    We write to inform the Court that plaintiffs LensCrafters, Inc. and EYEXAM of California, Inc. (together, "LensCrafters") have reached a settlement with three of the five defendants in this action. Signature pages on the settlement agreements were exchanged yesterday. We will shortly be filing dismissals as to these defendants, as described below.

    Also on January 30, 2008, the parties in the underlying class action litigation, *Snow, et al. v. LensCrafters, Inc., et al.,* San Francisco Superior Court Case No. CGC-02-4-554, finalized a settlement agreement and filed a motion for preliminary approval of the settlement before the Honorable Richard A. Kramer. The motion is scheduled for hearing on February 4. If Judge Kramer grants the parties' motion, we will file dismissals with respect to the three insurers who have consented to and provided funding for the settlement—Liberty Mutual Fire Insurance Company, Executive Risk Specialty Insurance Company and Westchester Fire Insurance Company—in accordance with the terms of settlement agreements with these defendants. LensCrafters will still have claims in this case against defendants United States Fire Insurance Company and Markel American Insurance Company.

    If the Court wishes further explanation or briefing on how these settlements may affect the pending motions to dismiss filed by Westchester, U.S. Fire, and Markel, please let us know.

Very truly yours,

Celia M. Jackson

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